



Management of Social Services

**WEEK 8: HOUSING AS A SOCIAL
SERVICE (Housing policy)**

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Recap – previous week

Housing as a social service

- The nature and status of housing in Uganda
 - Housing stock
 - Housing quality
 - Housing tenure and affordability
- Provision management and development of housing
- Comparative analysis – Kenya, Netherlands and China

This week ...

Housing as a Social Service

Uganda's National Housing Policy

A comprehensive framework ensuring every Ugandan's right to adequate housing.

Fig. 1. Housing – Gamma app



Week's Objectives

- To examine the goals and strategies of Uganda's housing policy
- To analyse the strengths and weaknesses of Uganda's primary housing policy using a standard policy analysis framework
- To analyse the implementation challenges of Uganda's primary housing policy

The Status

The Housing Deficit:

2.4 million units

Rapid Urbanization:

5.2% annually

The Affordability Gap: Over 90% unable
to access a formal mortgage/ loans

Poor Housing Quality: ~44% of households
with unburnt brick/mud walls

The National Housing Policy (2016) - At a Glance

Vision and Goals

Vision

Adequate housing for all Ugandans - regardless of location or income level.

Overall Goal

Provide a framework that delivers adequate housing for all citizens.



Fig. 2. Housing – Gamma app

Policy issues

Planning Gaps

Lack of comprehensive land use planning leading to substandard informal settlements with inadequate infrastructure.

Access to Land

Land hoarding and speculation driving prices beyond reach of many Ugandans.

Low- and middle-income groups struggle to access planned, serviced and affordable land.

Finance Challenges

- Limited financial facilities for housing development
- High mortgage/ loan interest rates unfavourable for development
- Weak savings mobilisation schemes
- Low affordability causing incomplete housing units

Insecure Tenure

Lack of security of tenure in slums and informal settlements.

Infrastructure Issues

- High costs of providing infrastructure services
- Lack of integrated planning and coordination
- Absence of trunk infrastructure hinders private investment

Building Materials Challenges

- High costs of imported materials,
- Lack of approved standards for local materials, and
- Inadequate public awareness of alternatives.

Rental Housing Issues

- Outdated legal framework,
- Inadequate infrastructure,
- High rental charges, and
- Lack of public rental programmes for low-income earners.

Policy Objectives

01

Increase Production

Scale housing units from 60,000 to 200,000 per annum by 2022.

03

Promote Efficiency

Encourage efficient utilisation of energy and resources in housing.

05

Secure Tenure

Improve security of land tenure for homeowners.

02

Improve Quality

Enhance the existing housing stock across all income groups.

04

Increase Access

Make affordable housing accessible to all income levels.

06

Manage Real Estate

Establish mechanisms for real estate sector development and management.

Policy Guiding Principles

Partnerships (PPPs),
Slum Upgrading, and
Use of Local Building Materials.

Fig. 3. Housing – Gamma app



Private Sector

Government

Other ...

Policy Implementation

Civil Society

Academic Institutions

Government's Role in Implementation



Central Government

Provides enabling environment, coordinates planning, resource mobilisation and legal compliance.



MLHUD

Initiates laws, coordinates stakeholders, promotes building materials and establishes national housing information systems.



Local Authorities

Undertake land use planning, develop sites, enforce standards and conduct awareness campaigns.



Fig. 4. Housing – Gamma app

Partnership Stakeholders

Private Sector



Constructs housing units, manufactures building materials, develops infrastructure.

Civil Society



Works with communities, provides technical assistance, advocates for improvements.



Financial Institutions

Mobilises resources, establishes housing funds, develops mortgage markets.



Co-operatives

Mobilises human and financial resources, constructs efficient houses for members.



Professionals

Offers affordable services, develops appropriate building techniques, upholds integrity.



Other stakeholders



Media

Raises awareness, advocates for housing rights, reports on policy progress.



Households

Participate in improvements, develop savings culture, maintain facilities.



International Organisations

Provides technical and financial support, facilitates research and capacity building.



Academic Institutions

Conducts research, documents findings, provides advisory services.



The National Housing Policy (2016) – Strengths

Strength 1: Excellent Problem Diagnosis

The policy demonstrates a clear understanding of the multi-faceted nature of the housing crisis, and identifies the roots causes... ..

- **Inadequate Legal Framework:** Due to complex land acquisition processes and practices, and weak property rights, especially influenced by the varying tenure systems.
- **Limited Access to Finance:** the high interest rates on loans make it difficult for many Ugandans to access funds for housing development. Lack of long-term credit is another hinderance for investment in housing development.
- **High Cost of Construction:** Driven by imported construction materials and high housing infrastructure costs.
- **Inadequate Infrastructure:** many places lack serviced land for development; when land is not serviced, it becomes difficult for it to attract developments.

Strength 2. Comprehensive Policy strategies and instruments: the cure

To deal with the policy issues and problems diagnosed, the policy proposes a strong toolkit;

Strategy: Government's shift from direct provider, to an Enabling Role & Strengthen Partnerships.

Government moves from being a direct builder to a **facilitator, regulator, and co-investor**. The primary mechanism for this is **Public-Private Partnerships (PPPs)**.

Policy Instruments:

- **Land PPPs:** Government provides public land, and the private partner provides capital and expertise to develop housing.
- **Development PPPs:** Partnering with the private sector to develop serviced building plots.
- **Financial PPPs:** Using public funds to de-risk private lending for affordable housing (e.g., guarantee funds).

Strategy: Secure Tenure and Promote Land Management

Formalization of land rights and making land available for housing development.

Policy Instruments:

- **Systematic Land Demarcation and Titling:** Accelerating the issuance of freehold and leasehold titles.
- **Land Banking:** Government proactively acquiring and assembling land for future housing development.
- **Slum Upgrading:** Regularizing tenure in informal settlements and providing basic infrastructure, on-site,, rather than eviction.

Strategy: Develop Inclusive Housing Finance Systems

Create a diverse range of financial products to serve different income segments, to enable housing development.

Policy Instruments:

- **Establish a National Housing Fund:** A dedicated fund to finance affordable housing projects and provide seed capital.
- **Promote Mortgage Liquidity Facilities:** To provide long-term capital to lenders.
- **Support SACCOs and Microfinance:** Recognizing that incremental building is the reality for most, the policy aims to strengthen these community-based lenders.

Strategy: Promote Affordable Building Materials and Technologies

Reduce the cost of construction through innovation and local content.

Policy Instruments:

- **Research and Development:** Support for the development and certification of Alternative Building Technologies - ABTs (e.g., interlocking stabilized soil blocks, prefabricated panels).
- **Review and Simplify Standards:** Adapt building codes to accommodate safe and affordable technologies, not just conventional ones.
- **Promote Local Production:** Incentivize the local manufacturing of building materials to reduce import dependency.

Strategy: Prioritize Planned Slum Upgrading and Prevention

Acknowledge the existence of slums and improve them, while preventing the formation of new ones.

Policy Instruments:

- **Provision of Basic Services:** Prioritizing water, sanitation, waste management, and access roads in informal settlements.
- **Participatory Planning:** Involving slum communities in the upgrading process.
- **Provision of Affordable Serviced Plots:** To offer a formal, affordable alternative to informal settlement.

Comprehensive Policy Instruments – summary

- **Land Instruments:** Promoting land readjustment, land banking, and formalizing tenure.
- **Financial Instruments:** Promoting a National Housing Fund, Mortgage Liquidity Facilities, and Microfinance for incremental building.
- **Physical/Infrastructure Instruments:** Prioritizing slum upgrading and provision of serviced land.
- **Legal/Regulatory Instruments:** Streamlining building approval processes and promoting affordable building standards.

Strength 3. Emphasis on Inclusivity and Partnerships

Explicit focus on **vulnerable groups** (women, youth, persons with disabilities).

Recognizes the **informal sector** as a key player, not a problem to be eliminated.

Champions **Public-Private Partnerships (PPPs)** as the primary delivery mechanism.

The National Housing Policy (2016) – Weaknesses and Implementation challenges

Weakness 1: The Ambiguity of "Affordability"

Failure to quantify "affordable. The policy talks about affordable housing but does not indicate the target price point for a low-income house. Without this clarity, success is impossible to measure, and it is not easy to judge whether this objective is achieved or not.

Weakness 2: Over-reliance on Underdeveloped PPPs

The private sector – prioritizes profit and is sensitive to risks, is expected to lead, but the policy does not adequately address the high risks and low profit margins that come with affordable housing. Worse, there is not evidence yet of concrete, large-scale, successful PPP housing projects since 2016

Weakness 3: The Institutional Capacity Gap

The policy implementation section assigns key roles to ministries and local governments which are chronically underfunded and understaffed. With no technical and financial capacity, the local governments can not plan, or service land to ready it for housing development.

In addition, the main state-owned housing enterprises (NHCC and UNHC) are either ineffective at scale (NHCC) or completely dormant in terms of housing development (UNHC)

Weakness 4: The Funding Challenge

The policy outlines ambitious financial instruments but lacks a **clear, costed national financing strategy**. Government budget allocation to housing remains negligible, and the proposed National Housing Fund has not been operationalized effectively.

National Housing Policy - Policy performance analysis

The National Housing Policy of 2016 has largely not achieved its core objectives. While a comprehensive diagnostic framework was successfully provided by the policy, its implementation has been critically weak.

The housing deficit has worsened, affordability has deteriorated, and the state's shift to an "enabler" role has not materialized effectively. Key legislative and financial instruments remain unimplemented, rendering the policy more of an aspirational document than an actionable blueprint for change.

Performance Assessment: Goals vs. Reality

Policy Goal (2016)	2025 Status & Performance Data	Verdict & Key Evidence
1. Increase Supply of Affordable Housing	<p>The deficit has grown significantly.</p> <p>FAILED.</p>	<ul style="list-style-type: none">• Housing Deficit: Then: 1.6 million units (2016). Now: Estimated >2.8 million units (World Bank & CAHF projections for 2025). The gap is widening by over 200,000 units annually.• Formal Sector Output: Production remains below 60,000 units per year, targeting the high-end market. The NHCC's output is negligible compared to the national need.
2. Act as an "Enabler" via PPPs	<p>PPPs have not delivered at scale.</p> <p>PARTIAL FAILURE.</p>	<ul style="list-style-type: none">• Lack of Landmark Projects: No major, nationally transformative affordable housing PPP project has been successfully completed. Projects like the "Naguru-Nakawa redevelopment" have been mired in delays and controversy for over a decade.• Private Sector Focus: The private sector continues to focus on high-margin, high-income developments, as the affordable segment remains unprofitable without significant government de-risking that has been provided.

<p>3. Develop Inclusive Finance (National Housing Fund)</p>	<p>The core financial mechanism is not operational.</p> <p>FAILED.</p>	<ul style="list-style-type: none"> • No National Housing Fund: The policy's cornerstone financial instrument has not been established. There is no dedicated, large-scale fund to finance affordable housing projects or provide subsidized credit. • High interest rates (16-22%) on loans and short tenors persist, excluding over 90% of the population.
<p>4. Secure Tenure & Manage Land</p>	<p>Progress on systematic titling, but not necessarily inked to housing.</p>	<ul style="list-style-type: none"> • Land Titling: The World Bank-supported Competitive Enterprises and Business Environment (CEBE) project has made progress in digitizing land records and issuing certificates of title. However, process is slow and has not been strategically linked to unlocking land for affordable housing development through land banking. • Land Conflicts: Customary land conflicts and family disputes continue to be a major barrier to using land as collateral.

<p>5. Promote Alternative Building Technologies (ABTs)</p>	<p>Awareness has grown, but market penetration is low. MINOR SUCCESS.</p>	<ul style="list-style-type: none"> • Awareness: Institutions like the UNHRO and private companies (e.g., Tech-Build, Hydraform) have increased visibility of ABTs like Interlocking Stabilized Soil Blocks (ISSBs). • Adoption: ABTs have not been mainstreamed. They face barriers including a lack of widespread technical skills, limited financing for ABT-specific projects, and slow revision of building codes to fully accommodate them. Most construction still uses conventional, costly methods.
<p>6. Upgrade Slums</p>	<p>Isolated successes, not systemic change. SLOW, PROJECT-DEPENDENT PROGRESS.</p>	<ul style="list-style-type: none"> • Isolated Projects: Slum upgrading is largely donor-driven. The World Bank-funded Uganda Support to Municipal Infrastructure Development (USMID) program has improved infrastructure in some secondary cities, indirectly benefiting some slum areas. However, there is no nationwide, government-led slum upgrading program. • Slum Population: The proportion of urban populations living in informal settlements remains high, at over 50% in major cities like Kampala, with conditions largely unchanged or worsening due to population pressure.

Why this Stall...?

The disconnect between the 2016 policy's ambitions and the 2025 reality can be traced to several root causes:

Limited Political Prioritization & Funding: Housing receives a meagre allocation in the national budget. The government has not demonstrated the political will to make the significant financial investments required to kick-start the enabling strategies, such as capitalizing the National Housing Fund or launching large-scale public land banking.

Underlying Economic Realities: High inflation, soaring construction costs, and stagnant wages have widened the affordability gap far faster than any policy could bridge it. The economic fundamentals work against the policy's goals.

Failure to Pass Critical Legislation: The operationalization of key strategies, especially the National Housing Fund, required follow-up legislation that has been stalled in parliament for years, reflecting a lack of legislative priority.

Institutional Weakness: The mandated agencies, particularly the NHCC and the Ministry of Lands, lack the financial resources, technical capacity, and sometimes the political mandate to execute the complex, cross-sectoral strategies the policy requires.

Conclusions

The 2016 National Housing Policy provided an excellent diagnosis and a good prescription for Uganda's housing crisis. However, it lacked clarity on how exactly the strategies and instruments were to be practically measured and realized. From the analysis, the policy has largely not executed, but did not fail in its design.

The core lesson is that a sound policy document is not enough. Without political will, financial commitment, and institutional capacity, even the most comprehensive strategies will remain words on a page.

Uganda's housing crisis will only be solved when the prescription is filled with political will, targeted funding, and a fearless focus on implementation.

For Uganda to make progress, the next iteration of housing policy must be less about crafting perfect strategies and more about creating an irreversible implementation plan with clear funding, accountable institutions, and measurable annual targets

Fig. 5. Housing – Gamma app



Reference list

- **Government of Uganda. (2016).** *The National Housing Policy.* Ministry of Lands, Housing and Urban Development (MLHUD). Kampala.
- **World Bank Data. (2024).** *Urban population growth (annual %) - Uganda.*
<https://data.worldbank.org/indicator/SP.URB.GROW?locations=UG>
- **Uganda Bureau of Statistics (UBOS). (2017).** *Uganda Demographic and Health Survey 2016*
- Figures 1-5, AI-generated images. Housing, Gamma App
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Next week

Water and Sanitation Services:

- Nature and scope
- Comparative analysis